# NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST MEETING MINUTES May 15, 2009

The following Consultants/Vendors were present:

Amy Girardo Segal

The following Trustees were present:

Allison Eckert Coconino County

Jami Van Ess Coconino Community College District

The following Alternate Trustees were present:

Bob Kuhn Flagstaff Unified School District

The following guests were present:

Daniel Faith - NEW Flagstaff Housing Authority

Debbie Gangloff City of Flagstaff

Judy Jones NAIPTA

Angi Napier Coconino County

Kathy Reichman Flagstaff Unified School District
Drew Sharp Coconino Community College
Barbara West Flagstaff Unified School District

The following Trustees, Alternate Trustees and guests were not present:

Theresa Alvarado Coconino Community College District

Shannon Anderson City of Flagstaff
Deborah Beals Flagstaff Housing
Jane Binder City of Flagstaff

Kevin Brown Flagstaff Unified School District Carrie Cromer Flagstaff Unified School District

Kathy Jenkins Coconino County
Siri Mullaney Coconino County
Sandi Schulz Coconino County
Tina Wells Accommodation School

Jim Wine City of Flagstaff

#### AGENDA

1. CALL TO ORDER 12:30 pm

2. APPROVAL OF MINUTES Approved. Board Meeting – April 24, 2009

## 3. ACTION ITEMS

# A. COBRA Medical Contribution Rates

Amy Girardo

Segal presented two COBRA contribution options for the Trustees to consider. The first option would continue the 2008-2009 plan year COBRA medical contributions effective 7/1/09 consistent with the Trust's decision to continue to offer the 2008-2009 active contribution rates 7/1/09. The second option reviewed would have increased the COBRA contribution rates by 1.94% consistent with the projected budget increase for all contribution rates. In an earlier decision, the Trust decided not to increase contribution rates effective 7/1/09 for actives, and had decided to use their reserves for any shortfalls in the budget during the 2009-2010 plan year.

Motion was approved to continue with the 2008-2009 COBRA medical contribution rates effective 7/1/09 consistent with the decision made for active contribution rates with any shortfalls in contributions paid by Trust reserves.

#### B. COBRA Administration Renewal

Amy Girardo

The Trustees discussed Discovery Benefits' renewal offer. A two year rate of \$0.45 per employee per month was proposed for the period 1/1/10 - 12/31/11. The increase represents a \$0.06 per employee per month increase from the rates currently in place (\$0.39 per employee per month). Since the Trust budget for 2009-2010 has already been established using the old rate of \$0.39 per employee per month there will be a projected increase of \$1,350 in total cost to the Trust for the six month period of the plan year (1/1/10 - 6/30/10) when the new rate of \$0.45 per employee per month is applied. The Trustees discussed that they would like the renewal moved to a 7/1 effective date, however, Amy informed the Trust that she had asked for a 30 month renewal and Discovery Benefits would not agree to the extra six month extension which would allow the plan year to be moved to a 7/1 effective date on 7/1/11. Discovery Benefits would only provide the rate guarantee for 24 months. Therefore, the decision could be made to lose six months of the rate guarantee period by accepting an 18 month renewal from 1/1/10 - 6/30/11 instead of the 24 month renewal proposed.

Motion was approved to accept the renewal offer from Discovery Benefits effective January 1, 2010 for \$0.45 per employee per month for 24 months through 12/31/11.

### C. Wrap Plan Document

Amy Girardo

Segal provided a proposal for the completion of the wrap plan document including any changes needed for 7/1/09.

Motion was approved for a maximum of \$9,000 for Segal to complete drafting the document.

#### D. Stop Loss Insurance Discussion

Amy Girardo

Blue Cross waived their standard stop loss vendor interface fee for NAPEBT if they want to consider using Symetra as their stop loss vendor instead of Blue Cross. Symetra provided a preliminary proposal and it appears it could save the Trust approximately \$150,000 from the current Blue Cross offer effective 7/1/09. Amy explained that the renewal is preliminary and that Segal has not had time to analyze the details. She talked about the pros and cons of using a vendor outside Blue Cross. Amy explained that the savings obtained now may erode with future renewals with Symetra. Currently, if a claim exceeds the specific limit of \$150,000, Blue Cross gives credit during the next billing month while an outside vendor would have a time lag before crediting any claims. In addition, Blue Cross does not "laser" individuals; which means setting a higher deductible for individuals based on their claims experience and health conditions. An outside vendor may ask for "lasers" if they have an individual high claim in order to reduce premium increases. After some discussion, the Trustees provided direction they would like to review a final proposal from Symetra. Amy will move forward with the request of a final proposal and will request a meeting with the Trustees once the proposal is received.

# E. Fiduciary Insurance Discussion

Allison Eckert

Allison presented the renewal of \$12,992, which she was able to negotiate down from Willis' original proposal through Travelers Casualty and Surety Company of America. She indicated she would send each entity their portion of the renewal cost and they could bring their payment to the next Trust Board meeting.

# F. Wellness Committee Update

Angi Napier

The MOM Mobile is free in the fall. During the spring there is a charge, however, Blue Cross is going to try to obtain the MOM Mobile in the spring for free. Blue Cross needs to know where they should be, how many people are expected and number of days.

Angi stated that Coconino County has received an invoice from MOM in the amount of \$150. And, they had a total of 36 exams completed the day they had the MOM Mobile.

The Trustees are interested in adding POPS for men to their offerings. Amy will check into this.

G. Project PlanA discussion of the project plan took place.

Amy Girardo

## 4. INFORMATION REPORTS

A. BCBS Administrative Fee Payment Issues – Report distributed

Amy Girardo

#### 5. CALL TO THE PUBLIC - None

- 7. ANNOUNCEMENTS None
- 8. NEXT REGULAR MEETING: June 19, 2009, 12:30 pm
- 9. EXECUTIVE SESSION None
- 10. ADJOURNMENT Meeting adjourned at 1:20 pm